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THE

CANADIAN PACIFIC RAILWAY

COMPANY.

BY-LAWS.

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BY-LAWS.

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THE SHAREHOLDERS.

1. At all meetings of Shareholders the President, in his absence the Vice-President, and in the absence of both, some Shareholder appointed by the meeting, shall take the Chair ; and the Secretary, or, in his absence, some Shareholder appointed by the meeting, shall act as Secretary.

2. At each annual meeting of Shareholders a statement of the affairs of the Company shall be submitted to the Shareholders by the Board of Directors.

3. A special meeting of Shareholders may be called at any time by the Board of Directors; or by the President or any three Directors, on the requisition in writing of Shareholders holding one-fourth of the shares of the stock of the said Company.

4. Notice of every meeting of Shareholders shall be given in the manner provided by the charter—and also by a notice, signed by the Secretary, and posted to each Shareholder, addressed to him at his ordinary residence, which notices shall be so posted on or before the day of the first publication of the advertisement of such meeting in the *Canada Gazette;* and if the intended meeting of Shareholders be a special meeting, the notice shall specify in general terms the nature of the business, for the transaction of which such meeting is called.

THE BOARD OF DIRECTORS.

5. The Board of Directors shall be nine in number, and shall be qualified as provided by the charter; and at the first meeting of the Board of Directors after each election, they shall elect from their own number a President and Vice-President for the ensuing year.

6. The Board of Directors shall appoint a Treasurer and a Secretary, and such other officers and agents as they may deem necessary for the transaction of the business

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of the Company. And they may from time to time appoint such other officers, agents and assistants as the business of the Company may require, whose duties shall be defined by, and who shall hold their respective appointments during the pleasure of, the Board.

7. The Board of Directors shall meet without notice on the first Wednesday of each month, at one o'clock p. m., at the principal office of the Company; but, if such day should be a public holiday, such meeting shall be held on the day following. And, at any such monthly meeting, business may be transacted by a quorum of the Board in the same manner and with the same validity as if such meeting had been specially called and notice thereof duly given.

8. The President, or any two of the Directors of the Company, may at any time call a special meeting of the Board, to be held at such time and at such lawful place as shall be mentioned in the notice of such meeting. And the object of such special meeting shall be stated in a summary manner in the notice calling the same.

9. The business of the Company may be transacted, and the Board of Directors and the Shareholders of the Company respectively may hold meetings for that purpose within the meaning of the charter, at number eighteen, Parliament street, in the city of London, in England, or at such other office or place of business in the said city of London as shall be from time to time appointed by the Board, and mentioned in the notices to be given of such meetings respectively; and all By-laws enacted, resolutions passed, and business transacted, at any meeting or adjourned meeting of the Board of Directors, or of the Shareholders, held at the said place, or at any other place fixed in conformity with this By-law, shall be as valid, and as binding upon the Company, as if such meetings respectively were held at the chief place of business of the Company in Montreal.

10. Notice of every special meeting of the Board of Directors to be held at Montreal, specifying the time and place of such meeting, and intimating in general terms, the business to be dealt with thereat, shall be

given by the Secretary, or by any two Directors, by circular, addressed to the last known domicile of each Director resident in Canada or the United States, and to the last known domicile, in Canada or the United States, of the proxy of each Director resident elsewhere; or to any address registered with the Secretary of the Company by any Director, for the purpose of such notices; such circular to be mailed, with the postage paid thereon, at least four clear days before such meeting.

11. Notice of every meeting of Directors to be held at any place in the city of London, in England, shall be given by a notice signed by the Secretary of the Company, and posted to each Director, addressed to him at his ordinary residence, or at any other place to which he shall have notified the Secretary in writing to address such notices; and if all the Directors are then in Europe, or if those absent from Europe have notified the Secretary in writing of an address in Europe to which such notices may be sent, such notices may be posted at any time not less than four days before the day fixed for such meeting. But otherwise, if such notices be issued at Montreal, they shall be so posted at least twenty-one days before the day fixed for such meeting; or if they shall be issued at London aforesaid, they shall be posted at least one calendar month before the day fixed for such meeting; and such notice shall specify in general terms the nature of the business, for the transaction of which, such meeting is called.

12. The proceedings of the Board shall be recorded by the Secretary in a minute book kept for the purpose. The reading and consideration of the minutes of the last previous meeting of the Board shall be first in the order of business at every meeting of the Board; and, upon the confirmation of such minutes, with or without amendment, the presiding Director shall sign, and the Secretary shall countersign, the same

13. The business of the Company, during the intervals of the meetings of the Board of Directors, shall be transacted by the executive officers of the Company, with the advice and under the direction of the Executive

Committee, who shall perform the duties hereinafter designated; and select Committees of the Board may, from time to time, be created for special purposes.

14. All books, accounts, letters and papers appertaining to the business of the Company in possession of any officer, agent, or employee, of the Company, shall at all times be open and subject to the examination of any member of the Board of Directors, and also of the executive officers, and all letters and other papers so appertaining, received by the Secretary or Treasurer, shall be submitted to the Board and to the President.

THE EXECUTIVE COMMITTEE.

15. The Executive Committee shall be appointed and organized by the Directors appointed by the Charter of the Company; and afterwards by the Directors annually, after each annual meeting of shareholders, and shall hold office until the next following annual meeting. It shall consist of three directors in addition to the President, of whom two members shall be sufficient to constitute a quorum for the transaction of business. They shall meet from time to time, when called together by the chairman thereof, or by any two of their members, of which meetings notice shall be given by the Secretary by a mailed circular, at least twenty-four hours before the time of meeting. They shall appoint a chairman from among themselves, and shall be vested with all the ordinary powers of the Board of Directors, during the intervals of the meetings thereof, subject to the instructions of the Board and to the ratification of their action by the Board at the next meeting thereof. And for that purpose minutes of their proceedings shall be recorded in a minute book to be kept by the Secretary, who shall attend the meetings of the Executive Committee; and such minutes shall be submitted to the next following meeting of the Board of Directors, whether monthly or special; and the consideration of such minutes shall be second in order of business at every such meeting

16. The duties of the Executive Committee shall be as follows:—To supervise all such business as is not entrusted to a special Committee, and all receipts and dis-

bursements; to devise the necessary ways and means to meet all payments as they become due; to audit and certify all accounts for the expenses of the general office of the Company; to supervise the books, accounts and vouchers of the Company, and to give directions, as far as they shall deem necessary, as to the manner in which the books, accounts, &c., shall be kept; to examine at least once a month the accounts of the Treasurer, and to report the results of such examinations regularly at each monthly meeting of the Board, or oftener if they think proper; and to examine and pronounce upon all contracts negotiated by the executive officers of the company, before being executed, except in cases where the same have been previously referred to a special committee or to an officer of the company, with power to dispose thereof.

PRESIDENT AND VICE PRESIDENT.

17. The President shall be the chief executive officer of the Company, and exercise general control over all its affairs, its officers and employees, and cause the business of the Company to be duly and efficiently carried on, in conformity with the Charter and By-laws, and with the directions of the Board. He shall preside at all meetings of Shareholders. He shall sign all contracts, agreements and documents approved by the Board, except where the execution of such instruments is otherwise provided for by them. He shall countersign all cheques drawn by the Treasurer for $100 and upwards, and in case of the absence or inability of the Treasurer, he shall sign cheques to be countersigned by the Secretary. He shall sign all scrip certificates of stock or shares. But no deed of sale or conveyance of any real property of the company shall be made, until it has been expressly authorized by vote of the Board of Directors; excepting always lands granted to the company and intended for sale, which lands shall be sold and conveyed according to the regulations in that behalf made. And he shall perform such other general or executive duties, not otherwise provided for, as usually devolve upon the presiding officers of incorporated companies.

18. The President shall have power, with the concurrence of the Executive Committee, to negotiate contracts during the intervals of the meetings of the Board, the same being subject to approval as herein provided.

19. The President may, in his discretion, at any time during the intervals of the meetings of the Board of Directors, suspend the powers of any officer or employee of the company until the next meeting of the Board, when he shall report to the Board the fact, and the cause for such suspension.

20. In case a vacancy occurs in the office of President, the same shall be filled by the Board of Directors without unnecessary delay, but notice of the intention to fill such vacancy shall be given to the Directors, in the manner herein provided for the calling of special meetings of the Board.

TREASURER.

21. The Treasurer shall give security by such sureties and for such amount as shall be approved by the Board, for the faithful discharge of his duties.

22. It shall be the duty of the Treasurer, under the direction of the Board and the Executive Committee, to receive and disburse all moneys belonging to the Company; to keep the account books of the Company, which shall contain regular and systematic accounts of all receipts and disbursements; and to make detailed reports thereof to the Directors at each monthly meeting of the Board. He shall give proper receipts and discharges for all moneys received, and shall take and preserve proper receipts and discharges for all payments made.

23. The Treasurer shall cause to be deposited the moneys received by or for him on account of the Company, in such bank or banks as the Board of Directors or the Executive Committee shall designate. He shall have the charge and custody of the bills receivable and money assets of the Company, subject at all times to inspection and examination by the Board, or by any person appointed by the Board for that purpose by the Executive Committee and the President.

24. All checks upon the bank or banks where the funds of the Company are kept, shall be drawn payable to the

order of the party entitled to the payment to be made, which checks, except for the payment of interest or dividends on bonds or stock, shall be signed by the Treasurer, and countersigned by the President or Vice-President, or by the Chairman of the Executive Committee, when the amount is $100 or upwards; or, in case of the absence or inability of the Treasurer, shall be signed by the President, and countersigned by the Secretary.

25. No payment shall be made unless the same has been previously authorized by the Board of Directors or the Executive Committee, except upon the written order of the President, or the Chairman of the Executive Committee.

26. The ordinary negotiable obligations issued by the Company shall be in the form of drafts, drawn or signed by the President and accepted by the Treasurer. And the Treasurer shall also accept drafts drawn by other parties whenever instructed so to do by the Board or the Executive Committee, or upon the written order of the President or the Chairman of the Executive Committee.

27. For the payment of dividends on stock and shares, and interest coupons on bonds, he shall cause special deposits to be made, and separate account and check books to be kept. All such payments may be made by checks drawn by the Treasurer without countersignature; and all coupons, when paid, shall immediately be defaced or othewise cancelled, and shall be afterwards dealt with as shall be ordered by the Board.

SECRETARY AND OTHER OFFICERS.

28. The Secretary shall be the active executive officer of the Company under the President. He shall attend all meetings of Shareholders and of the Board, and shall record the minutes of all their proceedings at length in books provided for the purpose. He shall attend the meetings of the Executive Committee, keep the record of their proceedings, and submit the same to the Board at each meeting thereof. He shall be the Custodian of the corporate seal of the Company, and shall affix the same to all contracts and other documents approved

and ordered by the Board to be executed. He shall have charge of all the minute books, contracts, deeds of conveyance, and other documents of the company, and of their archives generally, also of all reports and communications to the Board of Directors, and of the correspondence of the Company generally.

29. The Secretary, under the directions of the President, shall conduct all such correspondence as does not pertain or refer more particularly to the business in charge of the Treasurer. He shall also perform such other duties as shall be required of him by the Board of Directors. He shall give the requisite notices of the time and place of all the meetings of the shareholders, of the Board of Directors, and of the Executive Committee.

30. The Secretary shall give bonds to the Company, for such amount and by such sureties as shall be approved by the Directors, for the faithful performance of his duties. And all officers and agents of the Company, who by virtue of their office shall receive or disburse money on account of the Company, shall give bonds in such amount and with such security as shall be approved by the Directors, for the faithful performance of their duties respectively.

31. The Secretary shall be the registrar of transfers of shares, stock and bonds, and for that purpose shall keep the accounts of the shares, stock and bonds registered and transferred, in such manner and form as the Board of Directors shall from time to time prescribe and approve.

32. All other officers and employees of the Company shall perform such duties as shall be imposed upon them, and shall have such powers as may be specially given them by the Board of Directors or the Executive Committee.

33. The Directors may appoint a person to act as Secretary of the Company in the said city of London, England. And such official shall be styled the Deputy Secretary of the Company, and he shall perform all duties required to be performed in the said city of London, which appertain to the office of Secretary.

ISSUE AND TRANSFER OF SHARES AND STOCK—FORM OF CERTIFICATES.

34. The certificates for shares of the capital stock shall be numbered in progression; beginning with number one. Each certificate shall be designated by its number, and shall be entered in a book called the "Register of Shareholders," and re-entered therein, from time to time, as changes may occur in ownership, or new certificates be issued. Such entries shall comprise the names of the Shareholders, their places of residence, and the number of shares to which each of them is entitled.

35. Each Shareholder shall be entitled to a certificate of stock for each share belonging to him, for which full payment has been made. The form of such certificate shall be as follows:—

The Canadian Pacific Railway Company.

No.

It is hereby certified that is the owner of paid up shares in the capital stock of the Canadian Pacific Railway Company, transferable only on the books of the Company, subject to the provisions of the Charter and By-laws, and on production and surrender of this certificate. And upon such transfer being lawfully made, and this certificate surrendered, the transferee will be entitled to a new certificate in his own name.

Witness the hands of the President and Secretary, and the seal of said Company, at their office in Montreal, Canada, this day of , A.D. 18 .

.....
President.

[L.S.] .....
Secretary.

36. All transfers of shares which may be lawfully made shall be so made in the Transfer Book of the Company under the supervision of the Secretary; and the said Transfer Book shall be kept by the Secretary at the chief place of business of the Company. But until the completion of the works which the company have contracted to do for the Government of Canada, no transfer shall be recorded in the Transfer Book, except under a special

order of the Board of Directors; and if so made shall be absolutely null and void. And until such completion, any shareholder desiring to make a transfer of his shares in the Company, or of any of them, shall give notice to the Secretary of his desire so to do, and of the name and residence of the intended transferee; and the Secretary shall lay such notice before the Board of Directors; and they shall determine whether such intended transfer shall be recorded and recognized, or whether the same shall be vetoed; and shall instruct the Secretary accordingly.

37. If such intended transfer is vetoed, the Secretary shall make a note of the intended transfer for the purposes mentioned in the Charter, and shall act in respect thereof as provided by the Charter. And any transmission of any share or shares in the company, which may be effected otherwise than by transfer, shall be dealt with in like manner.

38. If any certificate of shares shall become materially damaged, the Directors, upon presentation thereof, may order it to be cancelled, and thereupon a duplicate thereof shall be given to the owner. If any certificate be lost or destroyed, then, upon satisfactory proof thereof to the Directors, they may order a duplicate thereof to be issued to the owner on such terms, for the protection of the Company, as may be reasonable. But in all cases of the issue of a duplicate or substituted certificate, for a certificate alleged to be lost or destroyed, the duplicate shall be void should the original subsequently be presented.

39. Register books and transfer books for shares, stock and bonds, and books for the inscription of preferred stock, shall be kept at the head office; and the Directors may order similar books to be kept at London, in England, Paris, in France, at the city of New York, in the United States of America, or at any or all of such places; and may appoint persons to take charge of them respectively, and to perform such duties in respect of them as the Board may from time to time order and direct.

40. The transfer books of shares and stock, kept at the office of the Company in Montreal, shall be closed three days before the day of any annual or special meeting of shareholders, and those kept elsewhere shall be closed three weeks before such day; and no transferee of shares or stock shall be entitled to vote by virtue thereof at such meeting, unless the transfer thereof to him has been made, approved, and duly recorded; before the transfer book, in which such transfer is recorded, is closed by virtue hereof.

SEAL OF THE COMPANY.

41. The seal of the Company shall be of circular form and shall contain the words "Canadian Pacific Railway" on a circular scroll, and the words "Incorporated 1881," in the centre.